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THE HON. SRIMATHI JOTHI VENCATACHELLUM : It is not a question of maladministration. There were some reports about the doctors neglecting certain duties.

'மால் பிராக்டீஸ்' என்று சொல்வதற்கில்லை. சில பேஷெண்ட்கள் அங்கு வந்தபோது சரியாக அவர்களைக் கவனிக்கவில்லை என்ற கம்ப்ளைண்ட் அரசாங்கத்திற்கு வந்தது. அதையெல்லாம் பார்த்து சர்க்கார் ஆவன செய்யவேண்டுமென்றும், சில ரிஜிஸ்டர்கள் கேஸ் ஷீட்டுகள் காணாமற்போய்விட்டது என்றும் சில பேர்கள் கம்ப்ளைண்ட் கொடுத்தார்கள்.

MR. CHAIRMAN : A question like this came up before the House some time before which the Hon. Minister answered.

Questions are over.

[**Note.—An asterisk (*) at the commencement of a speech indicates revision by the Member.**]

II—ANNOUNCEMENT *RE* MESSAGE FROM THE ASSEMBLY.

MR. CHAIRMAN : I have received a message from the Hon. Speaker, Legislative Assembly, transmitting a copy of the Madras City Municipal Corporation, District Municipalities and Panchayats (Amendment) Bill, 1964 (L.A. Bill No. 2 of 1964), as passed by the Assembly, and signed by him, for the concurrence of the Council.

III—DISCUSSION ON THE GOVERNOR'S ADDRESS—*cont*

* THE HON. SRI R. VENKATARAMAN : I am grateful to all
10-40 a.m. the hon. Members of this House for the admirable manner in which the debate on the Governor's Address was carried on and the large number of suggestions for improvement in the administration that were offered in the course of the debate. In fact the whole atmosphere was one of harmony. There was no bitterness or rancour in any of the speeches. It might well become a model of a Legislative Assembly debate. It does not mean that either the criticism was less sharp or the manner of expressing them as well as making the suggestions was less forceful. The way in which the hon. Members expressed their points of view really struck me and it is my duty to convey my feelings to the House.

First of all, I would like to thank the mover of the Motion for the clear manner in which he has explained the policies of the Government and put forward various suggestions of his own for improvement. The Leader of the Opposition in his own inimitable manner, in a speech full of charm, explained how in certain fields, the activities of the Government of India were disturbing the economy of this country. At the same time he paid handsome compliments to the State Administration in the field of education, industrial development, etc. I am grateful to the Leader of the Opposition for the very warm appreciation expressed by him for the Government's work. Rather than taking individual speeches

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and then dealing with them, I propose to classify the various suggestions made by the Members during the debate and deal with them under several heads. If I do not mention about any particular member who has made suggestions, it is not because that I have not taken note of his particular suggestion, but because it comes under the classification which I propose to adopt.

In the first place, the matter which is of deep concern not only to the Government but also to the country at large and to every one of us, is the disturbing spiral of prices that we witness in the country today. We cannot mince matters; we cannot hide the fact and we cannot draw any gloss over a situation which really calls for a certain amount of deep thinking and concentrated action. But in doing that we have got to analyse what is the cause of the present tendency. Though every one of us criticises the increase in prices and the tendency for the price-level to go spiralling up we are not agreed as to the cause of such phenomena. To some people it looks as if the spiralling prices is the result of the various activities which the Government of India and the State Governments have embarked upon and the plans which they have drawn and the policies they have pursued in the implementation of them. To some others it appears that this is an exploitation by certain classes, that the control necessary for keeping down the price-level is not properly exercised, and that the Government have not done their duty in the matter of controlling prices. In some others there is a feeling that the basic economic structure itself is wrong, and that if, instead of the private enterprise which now prevails and which is allowed to sell and distribute the commodities in accordance with the existing practices, the whole of the economic structure is changed and the entire production and distribution of commodities and services could be channelled through the Government activity in the shape of nationalisation, the problem may be solved. It often happens, in all these cases, there is a grain or element of truth in every one of these things. Very often people pick that one little grain of truth and build up a whole theory on it and say that that particular thing is a panacea for all our ills. I have always held and I have repeated in this House that the tendency for a rise in prices is inevitable in a developing economy with the increasing investment which takes place. In the field of industry, in the field of social welfare like education and health, in improving agriculture and in the construction of irrigation and power projects, a larger investment than what the country can absorb takes place. But if the larger investment goes into the hands of a large body of people, the effect is to increase the prices since the production of any commodity or any service, be it electricity service or the medical service for which people pay, cannot always keep pace with the tempo of investment which takes place during a period. Now the tendency is not new to India alone. I have watched two other countries where the development is at a higher rate or at a higher tempo than would normally take place in similar circumstances. Two such countries are West Germany and Japan. Both in West Germany and Japan, the rate of investment, though it may be in the private sector, is much larger than what has taken place in

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these two countries in a decade at any time of comparable period in history. The result is to-day that both these countries are very bitterly complaining of a rise in prices.

Last year, when I was in Germany, one of the points which most of the economists in Germany raised was the rather disquieting tendency in Germany for the prices to rise. They said that this was the result of the greater tempo of activity and one had to choose between the two evils, namely, either one would have a higher tempo of activity and consequent increase in prices or content oneself with lower tempo of activity and then remain at more or less a static price level. The same thing was also noticed in Japan. Sir, two months back when I was in Japan, I happened to discuss this with some people. But more than that I saw an editorial in one of the important dailies of Japan, in which they have complained of the same thing. When the Prime Minister Mr. Ikada disclosed that he was going to dissolve Parliament and seek re-election, the paper wrote, after a general review of the policies of the Prime Minister as follows :—"but still we have to admit the fact that the Prime Minister, inasmuch as his Press Conference is concerned, remained aloof from the sentiment of the people distressed over the rising cost of living." They went further and said that "unless this matters is tackled, it will not be possible to the average man to be happy with the state of affairs."

Therefore, Sir, I want to submit for the very kind consideration of the economists and administrators in this country, whether the criticism that the level of prices has risen and that therefore the administration has failed in its responsibility to the people, could be fully justified. I do not want to say that the criticism is not at all justified. Certainly there are differences in the degree of inflation. Th price level increasing by 10 per cent can be considered to be reasonable. The price level going up to 100 per cent would be considered to be a disturbing increase. But the price level which goes up by a thousand per cent is chaotic. It used to be said that after the First World War, in Genrmany, the people carried all their money in bags and baskets and brought back things in purses and packets. Then the whole situation changes. Therefore the question that we have got to see is, whether the present level of prices in the country is out of all proportion to the other advantages accuring out of the investiment and the tempo of activity that has taken place in this country. My humble submission in this. In the field of industry, it is recognized that our progress has been fairly remarkable. In the field of social services, again,
—50 we have achieved considerable success. It is these very things—
.m. the success of these plans—that have created and accentuated the problem. Take, for instance, increase in education every year a lakh of students are passing the S.S.L.C., then the unemployment problem of the educated youth increases. Can anybody say, "Because the problem of educated unemployment has increased the country has gone down, notwithstanding the fact that lakhs of people are educated?" It is a country which is changing over from

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a medieval economy to a modern economy. Where the spurt of activity is very great and intense, a certain measure of price increase and a certain measure of this problem of unemployed educated youth and a certain measure of shortages of what is called trained personnel notwithstanding a large measure of unskilled unemployment are inevitable. Unless we reconcile ourselves to a lower tempo in which the industrial development would be reduced to half, educational opportunities would be reduced to half, hospital and other facilities would be reduced and every one of the services which we render are reduced, it will not be possible—in history no economy, no great country has been able—to find a solution for two concomitant features. namely, higher tempo of investment and rising prices. If you want the one, the other is inevitable. Without the one you cannot have the other. Therefore, the problem has to be tackled from the point of view of trying to minimise the rigours of the rise in prices rather than from the point of wiew of preventing rise in prices How can we minimise the rigours of the rise in prices? That is the problem which we have set before ourselves. If it is possible to supply to our people the necessaries of life at comparatively cheaper prices, leaving the prices of other commodities to take the turn according to the laws of supply and demand, that would be one solution. In completely controlled economies like the Soviet Union people's necessities are sold at riduculously low prices and at the same time, luxuries are sold at ridiculously large prices. I have seen the worker's boots which even in Madras might cost about Rs. 50 being sold at a price equivalent to Rs. 25 or Rs. 30. At the same time, one of the Oxford shoes, for instance, a fashionable shoe, is sold at Rs. 250 or Rs. 300. But there the State controls the entire structure of prices. In fact, the concept of the cost of production is totally controlled economy with the result that it is possible for people to sell certain things like necessities at lower prices, and certain things at very high prices, thereby equating the cost of both. I submit that is not possible in our country without giving up all the ideals which we have set before ourselves, without giving up all the principles which we have set before ourselves and without completely going back on the very basis on which we fought for our independence. It would be appropriate to recall on this occassion the basis of the movement for Independence in this country. The very basis is a democratic set-up and in a democratic set-up it is not possible to effect controls of the kind which has been done there. If this is not possible, then the only other way is to see that the distribution channels are so arranged that we are able to give to the people their primary necessities of life at comparatively reasonable prices—we cannot say ' lower prices—based on the absence of middlemens profit. If this can be done either through State distribution which has got its difficulties or through co-operative institutions, is a matter that had to be examined. It is after examining all the possible aspects of this question that the Government thought that by starting consumer co-operatives we may be able to alleviate to some extent the suffering of the people by way of increased cost of living that

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goes on. One suggestion was made that the Government might think of subsidising food, we all know that enormous cost it would mean and what heavy taxation we will have to impose in order to subsidise food. Also we know what are the enormous opportunities for abuse in the subsidised scheme. A person may buy the food-grain, as often happens in the case of art silk yarn or cement, at a subsidised rate and again sell it at a higher rate which means the entire action taken by the Government in this behalf would be negatived or nullified. The best that could be done under the circumstances is to approach the co-operatives for the purpose of distributing the primary necessities so that they may be able to get the basic necessities of life at reasonable prices without there being any exploitation, without anybody cornering the commodities and without any person artificially inflating the prices. I am not one of those who think that in order to bring down the price level we should reduce the tempo of activity in this country. The consequece of such a reduction would be that our education will decrease, that our industrial employment would go down and the unemployment will increase in a much larger measure than it has done. Merely because there are more educated men to-day unemployed than there were about ten years ago, it does not mean that the country has gone down. On the other hand, it may be that the number of educated men has increased. Some critics always point out, "Oh! what have you done? In spite of your planning, unemployment has increased. But they forget that in the meanwhile employment has increased enormously. Notwithstanding that increase, the employable persons have increased much more and that is really an index of the increase in education rather than an index of the decrease in the employment position. The criticism that as a result of the plan employment has been reduced cannot bear any scrutiny whatsoever. So, my submission is that while every effort should be made to see that the prices do not go beyond a reasonable level, do not go up to the level of inflation, as I have mentioned, the people have got to reconcile themselves and we have got to reconcile ourselves to a certain level of increasing prices consequent on the increased activity and the increased employment that one has. If a large number of people in this country are unemployed, it does not matter to them whether the price is low or high because they do not have the wherewithal to buy anything. The question of prices arises only to the man who has something to buy, who has some purchasing power in him. Of what use is all the wealth of the world at dead cheap prices if the person has not even a single copper to buy it? The endeavour of the Government, in this connection, is to increase the purchasing power among the people by greater and larger employment opportunity. That will explain why Government have not taken more drastic action with regard to the control of prices. I am not one of those who think that any amount of regulation or control will convert a deficit into a surplus. There are some people who think that merely by effective control of all articles, or of the channels of distribution, they can solve the problem. They always complain that the Government have not done it and that they are not sufficiently socialistic in their outlook in coming forward to control all the channels

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of distribution. I submit that we cannot by any amount of regulation, however honest it may be, convert a deficit into a surplus. All that it can do is that the deficit is equitably distributed over a large number of people instead of being concentrated in one place.

The third suggestion made is that if we nationalise the whole of the industries then we shall be able to control the prices. This again is I am afraid not practicable in the current context of our economy. In the first place, if we calculate how much we would require to pay compensation to all existing industries, we would require an enormous amount. Even assuming we can find the money, is it worth spending the money on buying existing industries not adding a single ounce of additional production and not adding a single additional employment in the country? Let us take the one familiar instance which has been repeated in our legislature. 'Nationalise all the buses'. Let us take that there are about 4,000 buses in the State. To nationalise all the buses you will have to pay compensation to the tune of Rs. 200 million. But if you give me Rs. 50 crores I would run air-conditioned buses throughout the State. If you pay Rs. 200 crores and nationalise the bus industry you do not add one bus more to the country nor do you add one more additional employment to the existing number of drivers and conductors. It is therefore necessary that the small amount of available capital should be so invested as to provide, (a) additional production and (b) additional employment. And this can be done only by investing the resources in new units, in additional units rather than on buying existing units. This is our basic approach to that question. The same number of people will continue to be employed and there will be no addition to the existing production if you buy existing units. On the other hand, if you put in additional units, you will employ another hundred persons and to that extent, you will be adding to the increase in the standard of living of the people and there is addition in production also. That is why I think that the best way in which we can increase the economy of the country is by adding to the volume of investment in new industries in whatever sector you may like. The Government can go into it, the co-operatives can go into it, the private sector can go into it. We are so short of all kinds of commodities in this country that there is no fear for another fifty years of having a surplus or a glut. This is one of the few countries in the world which can go on expanding without any fear of a depression coming in the near future. In fact, the vast masses of people in the country are an asset in the sense they provide the market unknown or unhead of in western countries which have industrially advanced. And this gives a great opportunity that if only we increase the standard of the people, we will be able to create a market which will absorb all of our production. While that is the state of affairs in our country, why take existing industries and why think only of duplicating the same thing? People can go into all these new fields. The Government can go into industries and start new industries. I am glad the hon. the Leader of the Opposition drew attention to

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the fact : ' Until now Government industries meant only Central Government Industries. Why not allow the State Governments to go ahead with medium sized industries which can be very well managed by them? ' The Government can start industries. The co-operatives can start industries. The private sector can start industries. It is only by enthusing all the three sectors in this country that we can maximise production. And what is our primary objective today? It is not nationalization as such, it is not control as such, it is not free economy or undisturbed economy as such but it is the maximisation of production by whatever available means that may be found in the country. Therefore, the problem, we have to face, as far as the State is concerned is to give encouragement to production in every field by all the three sectors so that we may be able to show a way in the field of increasing production to the country as a whole.

Sir, I must confess in this connection that our progress in the field of agricultural production has not been as good or as high as it should have been. And agricultural production, unfortunately, does not depend entirely on human endeavour. To a very large extent, it still continues to be dependent on the vagaries of the monsoon and various other factors such as pests, floods, famines and so on. But taking an overall picture, nobody can deny that there has been an increase in the volume of production. If you take only our State, you will find that between the years 1950–51 and the year 1960–61 there has been more than nearly 80 per cent increase in the food production in the State. In 1950–51, the rice production in the State was 1·95 million tons and in 1960–61, it has risen to 3·5 million tons. People ask the question : How in spite of the increasing production is there still an increase in price, should not higher production decrease the prices because of the larger supply? There again I hope the House will not misunderstand me if I take a little time to explain the position, how the price is fixed in an economy like ours. If you want to produce 20 lakhs tons of foodgrains at a particular point, we may be using lands which can produce this 20 lakhs tons at a particular price. But if you want to increase this 20 lakh tons to 25 lakh tons, then you have to go to lands which are not economic at that price and when you bring the additional acres required to increase the production, you go to lands which are below the margin of cultivation. Only if you give additional price, these lands which are below the margin of cultivation will come under cultivation. Otherwise, the man will not cultivate. Therefore, the price increases when these marginal lands are brought under cultivation. Even then if the food production is found to be inadequate and you want to increase the productoin still further, other lands just below the margin of cultivation are again brought into cultivation. After all, it is the marginal cultivator who determines the prices of commodities. The man who is above the margin gets profit but the price of the commodity is largely determined only by the marginal cultivator without whose co-operation production cannot be improved or increased. If you take that into account, you will find that the land which was lower and lower in fertility in cultivation, in its resources,

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which at one time would never have been cultivated because the land was not worth cultivating has now been newly brought under cultivation. This marginal cultivator's cost increased. The result is there is increase in prices and it continues. If the prices go down, many of the lands which have been recently brought under cultivation will go out of cultivation. That again is the answer to some of the people who say; "Why not fix the prices of agricultural commodities at low rates?" If you assume for argument's sake—it is nobody's case—that we fix the price of paddy at Rs. 10 per bag, nearly two or three lakhs of acres will go out of cultivation. It does not mean that the same number of acres will be under cultivation, the same quantity will be produced. At Rs. 15 a bag certain number of acres can be cultivated economically. At Rs. 20 certain more acres can be cultivated economically. Therefore, if the additional acreage has got to be brought under cultivation, the marginal cultivator's price has got to be paid. This is the reason why the prices are increasing in spite of the fact that our producton has increased. The way in which the countries have met the increasing prices is by making people earn more rather than making the prices go down. No country in the world, and after the second world war, no country has been able to reduce prices except in industries products where automation has come in. In agricultural products, the cost does not come down in any country. In any country it cannot be done. The cost of agricultural products depends on larger and larger acreage being brought under cultivation, which requires again a higher incentive for the people in order that the demand may be met. As I submitted before, the fact that there has been an increase in production is not negatived by the higher price. It is compatible with the rise in prices and the increase in production. If the price have risen, it is because of the uneconomic cultivation of a much larger area. The future is a matter on which we should try to do our best. We have set a target of having 5 lakhs tons of surplus rice in the State. Our present surplus is 3 lakhs tons. This surplus goes to other States. Since we have a common economy in which there is no control over the distribution of the foodgrains throughout the country, a certain variety of rice, which people like in Madras, comes from Andhra. For instance, I was surprised to find that in a place like Neyveli, which is very near to the best rice producing area, namely, Chidambaram, people prefer Nellore rice and Nellore rice is being bought and sold there. This is so because the people there like Nellore rice. It is not because there is no rice at Chidambaram that people bought the Nellore rice. Some of the rice produced in Thanjavur and Chidambaram is taken to Kerala and other parts, were they like it. The mere fact that rice comes from another State to this State is no index that there is shortage of production here. It is because of tastes that a variety of rice goes from one place to another. We have distributed our rice to other States.

(Margin note: 1!-10 a.m.)

Sri Subbiah Chettiar in the course of his speech the other day said that the rice which was bought in Madras at the rate of Rs. 15 per bag was being sold in Calcutta and other places

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at a very high price and that somebody was profiteering. I can tell him that we exported to West Bengal 5,723 tons of rice from Madras. This was taken by the Regional Director of Food and this has been released in Bengal at the same price. The difference between the purchase price and the sale price, namely, the incidental charges, etc., was borne by the Government of India. Probably the hon. Member is thinking of the recent developments in which rice from certain parts of Andhra went to Bengal in the last one month, when there was acute scarcity everywhere and the trade was sending rice from one place to another. There was no question of procurement anywhere. Therefore, my submission is that nobody is really exploiting the situation and the Government of India have taken care to see that rice procured in the State is distributed in other places at the procurement price plus the incidental charges. The transport charges are being borne by the Centre itself.

SRI M. SUBBIAH CHETTIAR: On a point of information, Sir. The rice procured in Madras State is working at the rate of Rs. 18 per maund. With the incidental charges, it may come to Rs. 20 in West Bengal. I would like to know at what price it is sold in West Bengal. The Central Government give to West Bengal at cost price. At what price is it sold to the consumer?

THE HON. SRI R. VENKATARAMAN: Sir, I have it on authority here. It has been ascertained from the Regional Director of Food that the release price is the same in all the States in India and that the difference in the purchase price and the sale price, namely, the incidental charges, are borne by the Government of India. The hon. Member may be confusing between two things, namely, the rice procured by the Government and distributed and the rice which the market is buying and selling. If the Andhra rice is being bought and sold at a higher price, it is the market transaction. It is not rice procured by the Government at the lower price and sold at higher price. Five thousand seven hundred and twenty-three tons of rice was procured in this State by the Government of India and distributed to West Bengal at the same price. If the market bought and sold it, then they would have paid the current market price. The market cannot buy at controlled price as the Government can do.

SRI M. SUBBIAH CHETTIAR: On a point of information, Sir. The Government purchase here at the rate of Rs. 18 per maund of rice. The other incidental charges like gunny, etc., come to about 80 nP. per maund. This works out to Rs. 15 per bag. So the millers were forced to supply it at Rs. 15 per bag. Ultimately, the Madras millers have to lose Rs. 75 lakhs on account of supply made to the Government. This loss of Rs. 75 lakhs is compensated by selling the other quantity of rice with the millers at the higher price. What is the benefit that the Madras State people have on account of this procurement policy? The Government should have enquired into all these things. Where is the necessity for the people in Madras State to pay the higher price because the Government are procuring rice at a lower rate? No benefit is derived by the people of the State.

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THE HON. SRI R. VENKATARAMAN : Sir, the same question can be asked by people of Bengal and Bihar. They can ask why iron should be controlled and why it should be sold in Madras at the same price as in Bihar. The same question can be asked about the supply of fertilisers. If we accept the concept of a country as the union of India, then we will have to share not only our advantages but our disadvantages and our problems also. Certainly if we think of functioning as the Indian Union in which all the people of this country are brethren, then the surplus States will have to go to the help of the deficit States. Surplus States in certain commodities will have to help the deficit States. The deficit States in certain commodities will be surplus in certain other commodities. If the same attitude should be taken by Bengal and Bihar, there would be no engineering industry at all in Madras State. Therefore, I venture to submit that while there may be a case for giving a fair price to the cultivator nobody will object to the economy of the agriculturist being sustained—it would be wrong to say that we should not procure and distribute rice to other States, because this is the very basic concept of the unity of this country. We were getting rice from other States when we were in deficit. It is only in the last few years that we have become surplus. The point raised by Sri M. Subbiah Chettiar in the course of the debate was that our rice was procured at a lower price and sold at a higher price elsewhere. I have cleared that it is not so.

SRI M. SUBBIAH CHETTIAR : On a point of information, Sir. I want to know why the rice which the people like in this State is not being sold here and only American rice is sold. Another point is that the price fixed by the Government is Rs. 15 per bag. Do the Government feel that this price will help the producer and give him the incentive to produce more? Is this price workable? Is it advantageous? Why should not this Government approach the Central Government to increase this price so that there may not be large disparity between the controlled price and the open market price?

THE HON. SRI R. VENKATARAMAN : Sir, this is a matter which will be discussed during the debate on the budget. This is an entirely new field where the whole question has to be gone into and I do not think I have the time to do that. It is a real debate on agriculture. The question asked relates to the whole administration of agriculture and the policy relating to Agriculture not only in this State but in the whole of the country. All that I wanted to clarify was this. The hon. Member made it appear (the papers also carried it) and it also created a misleading impression among the people that rice was procured in Madras State at a lower price and sold at a higher price in Bengal. This is not correct. The procured rice was sold at the rate at which it was procured plus the incidental charges. The market would have sold it at a higher 11-20 a.m.
price, because it would have bought it at a higher price. That is my answer to the question.

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The next question I would like to touch upon is the State-Central relationship. There can be no two opinions on this matter, namely, that a large measure of latitude should be given to the State as well as local administrations in the implementation of the Plan. That is the view that this Government have taken all the time and have pressed it. But there are compulsions of planning which require in certain matters an all-India policy. In those matters the Government of Madras naturally act in consultation with and in unison with the Central Government. Wherever we have felt that certain matters should be left to our sphere of action, we have never hesitated to put it forward and I can say with confidence that there has been a fair measure of success in the point of view that we have raised before. The only question is what would be the position in regard to the future when larger and larger Plan finance would be coming from the Centre to the States. In the Second Plan period practically our contribution was 50 per cent and the Central contribution was 50 per cent. Therefore, we could do things as the State Governments thought fit. During the Third Plan period the contribution of the Centre has become two-thirds and our own contribution to the finance is one-third. Therefore, there is a certain measure of Central co-ordination and a certain pattern set by the Centre in the administration of those funds. If in the Fourth Plan it becomes one-fourth State contribution and three-fourths Central contribution, it is a matter for serious consideration how far we would be able to have our own way when the finances are coming from the Centre and when the Centre would like to have some pattern in respect of the distribution of that fund to all the States. This is one in which the Government, I wish to say, are quite alive to the problem, and I can assure the House that in all matters where the State thinks that its programme and its activity is sound and it is justified, it will not hesitate to stand up to it. Our past experience, if it is any guide for the future, shows that the position taken by us is sound and reasonable. We have always been acommodated by the Centre by making even a few deviations from the pattern set by them. The Central-State relationship in a federal Constitution has always had these problems (?) and it is inevitable. But one need not on that account get the impression that the whole autonomy of the State, the discretion of the State, the latitude of, the State to carry out its economic programme would be greatly curtailed. We have not got that impression and we do not think that would be the position. Therefore, I submit that we may, with reasonable confidence, look forward to a greater measure of co-operation from the Centre in all these things.

In this connection, I presume the Leader of the Opposition meant partly in joke the attending of the conference on corruption by the Home Ministers. I am grateful to the hon. the Leader of the Opposition for the emphatic statement he made that as far as this State is concerned, there is no whisper of corruption either at the higher official level or at the political level. (Interruption) I am sure it would be satisfactory to all of us. But when the various States come together to discuss the policies, it is much better that

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we are represented there and we put forward our point of view, Very often we have been able to bring to the attention of the other Ministers as well as the Central Government certain policies which we have pursued and which have yielded good results. So, I think there is a great deal to be said in favour of attending such conferences and preventing them from taking a rather queer or one-sided view of things by putting things in their proper perspective. I do not think the Leader of the Opposition meant it as a criticism. I am glad he said that the State could boast of a fairly good administration without the canker of corruption going to the top.

The next question which was debated at some length and on which I do not want to waste my time is Prohibition. This is a matter in which much can be said on both sides. So far as this State is concerned, my feeling is that the enforcement of Prohibition is of a much higher degree and the offences under Prohibition are of a much lower degree than perhaps in any other State in India. I had the occasion to discuss with the Chairman of the Prohibition Enquiry Committee, Dr. Tehchand who incidentally was my colleague in Parliament. He wanted to know how it was that he found that this Act was administered in Madras with a greater measure of success than he had found in other States. My answer was that our administrative machinery was sound and efficient. On the question of philosophy, we believe very firmly that during the initial period of our developing economy, it is better that we prevent people wasting away their resources on the evil. As I said, it is much better that we give them an opportunity to spend the money on more useful, healthy and hygienic needs than on drink. As one who has had something to do with one class of people, the agricultural labour, the plantation labour and industrial labour, I can say with confidence that they now eat better food than they did before Prohibition. They see more cinemas—whether it is right or wrong I do not know—than they did before Prohibition, and their womenfolk are more happy than they were. I was asked by the then Chief Minister Sri C. Rajagopalachari to go and look into the condition of tenants in Tanjore district in 1953 and when I went there to make the enquiry, I found a large number of women who were better dressed than they were five or six years before. We talked to them about various things and one of the things that the women complained was that their husbands wanted two meals then, because there was Prohibition, instead of one meal which they used to take before. I cannot think of a better proof of the advantages. There is no doubt that there is a certain measure of illicit distillation, violation of the laws and so on. It is unfortunate that the hon. Member Sri Nallaswami's neighbour happened to be an illicit distiller (Interruption). My submission is that these violations do not negative the virtue of the law. A time may come when our standard of living may increase as in America and then we may think if doing away with it. Until that stage is reached, it is very necessary that it has got to be enforced properly.

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11-30 a.m. Then there is also one thing to which I would like to make a reference. There is the far greater violation of food adulteration laws in this State than of the Prohibition laws, and the load of the social opporbrium against the person who violates the food adulteration laws is not as great as against the person who violates the Prohibition laws. I think we ought to work up a very vigilant public opinion in which any person who violates the laws will be looked upon as a social evil and would not be accepted in society simply because he is able to command money and wears good clothes and comes in a car. It is not possible for the Government to enforce all these things. In other countries the public opinion is so effective that many of the social evils are prevented. Similarly we should build up public opinion against those who violate Prohibition laws, the food adulteration laws, and so on.

There is a fallacy that if you repeal Prohibition, you will get more money. Let us compare States which have complete Prohibition and which have not. In States which have got total Prohibition, the sales tax revenue is very high. The entertainments revenue is very high. The money, which the people would have spent on drink, used now in buying food, articles and goods. They spend on entertainments such as cinemas and so on. At one of the meetings we sat down and compared the receipts. We stand the foremost. Our sales tax revenue went up. Our entertainment revenue has gone, very high. I think the money which would have come through excise duty on drink is now coming to us through the proper and better channels like sales tax and entertainments tax. I do not, therefore, think there is very much to be gained in that direction.

Then, Sir, I want to deal with the point raised by the hon. Member Sri Rajah Iyer who referred to the representation of teachers in this Council. This is a matter in which the Madras Government have taken the view not only now but even at the time this was dicussed in the Constituent Assembly that no special representation for the teachers was necessary. It is not because we think that the teachers have no interest or point of view to place before this House. On the other hand, our experience in the past ten years of the representation of teachers in the Council has been not only very happy but very useful. But it produces or creates certain problems which I would like the House to consider. If we say that teachers can stand for elections, then we must allow all teachers to stand for elections. But we cannot allow the teachers in the Government colleges and Government schools to stand for elections because it is a violation of the Government Servants' Conduct Rules. Even if you say that clause 193 of the Peoples' Representation Act could be modified so as to allow teachers working in these institutions to stand for election, the same question will be raised by other people who are also Government servants saying that they should be allowed to stand for elections. Sir, we are safe in this democracy because we have an independent judiciary, we have an independent executive and we have an independent legislature. If we allow people in the services to go into the legislature, that

day the domocracy will be completely ruined. The Government servant has to carry out whatever is the policy laid down by the legislature and accepted and put forward by the executive. He should not have any opinion in the matter of coming and saying that the law is either good or bad. Even though he may be expressing that valuable opinion, he has to do it not as a citizen but as a Government servant which is the main difficulty which the Government have to face in these cases. We also think the representation of the teachers causes a lot of heart-burning among those who are not of the same class and who are not able to stand for election under the present law. (Sri S. K. Sambandhan rose in his place) I will finish this idea. I am quite sure that the teachers will be able to get elected because the same number of seats is proposed to be transferred to graduates and not to others. The teachers will be able to get through and be represented here. It is also open to the Governor under the Constitution to nominate a person to the Council if he thinks that special representation of their point of view is necessary. Therefore, I am quite sure that their interests will in no way suffer. But the problem is, as I have said, one of principle in which we find there are a great many difficulties.

Sri S. K. SAMBANDHAN : It is not as if only teachers can contest from the teachers' constituency. Anybody can contest from that constituency. It is only representation of teachers on the Council. It need not be that teachers alone should represent the views of the teachers. Why should the teachers' constituency be abolished?

The Hon. Sri R. VENKATARAMAN : I would have been happy if teachers alone were allowed to represent on behalf of the teachers. There is no point in giving representation to somebody else who is not a teacher saying that it is a specialised constituency. Anyway that is apart and my points is not answered. If I give representation to class of teachers a certain and refuse representation to other classes of teachrs in Government Service then I submit myself to discrimination which I cannot justify in law. I have placed these points for the general consideration of the House.

Now, I have to deal with only one or two minor items. I have already said that the Government are not very happy about nationalisation or eager about it and it includes also the fact that the Government are not eager or keen about nationalisation of rice mills. If at all any nationalisation should be thought of, it should be of the basic industries such as iron and steel of the country, the defence industries if necessary. But nobody can think of nationalising rice mills. Even according to the resolution of the Congress, the idea was not that the rice mills should be nationalised. All that was said there was that in order to see that there was proper distribution of food grains, the rice mills which served as the focal points for receipt and distribution of the food grains may be controlled in such a way that the paddy or rice may be received and distributed in a proper fashion. They

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possible, it may be done by the State. But somehow it has given the impression that we are all for nationalization of rice mills. I can assure the house that it would be the very, very last thing if anything happens at all, and there is no such idea with the Government at present.

SRI K. BALASUBRAMANYA AYYAR: An hon. Member suggested the nationalisation of cinema.

THE HON. SRI R. VENKATARAMAN: I believe that it is an industry, whether it produces pictures for distribution or produces something else for sale. I do not think any special mention need be made of it as it is one of the industries like many other industries. Therefore, nationalisation of the cinema must have the very, very low priority in the scheme of things.

I want to say only a few words about the language. It has been said by hon. Members in this House that what the present agitation does, namely, burning a part of the Constitution, is not disrespect to the Constitution but it is only a mark of protest. This Government will not stand in the way of anybody showing protest within the limits of law. In fact, in every country where the utmost liberty and freedom exist, the freedom is limited to the four corners of the law. If you violate the law of the country, you are liable to be punished. If a person goes and says, "We do not want Hindi" delivers any number of lectures, no action
11-00 a.m. has been taken or will be taken against him. But if one person goes and prevents another from entering his office, it becomes an offence. It may be his intention to show that the use of Hindi should be prevented. But what he actually does is the physical prevention of a person from entering his office and this is an offence under the laws of the country. Punishment is not given for protest. I want to make it abunduntly clear that any amount of propaganda against Hindi will not incur any punishment by the Government, but any act done which comes within the operation of the four corners of law will have to be dealt with under the law.

Then, Sir, when certain steps are taken by the police, people are under the impression that certain things are done by the Minister for Home or the Chief Minister. Sir, there is a wide discretion given to the local authorities. Some persons may be arrested earlier, some may be arrested in the act, and some may be arrested later on. These are all things which no legislature can control; not even the executive in my opinion should contol. Because if the executive goes on saying who should be arrested, how he should be arrested, and where he should be arrested, it will be impossible for any State administration to be carried on. Therefore all the criticisms that were levelled against the Government that some people were arrested before the act and some people were arrested later and all that are no criticisms of Government. It is a matter within the discretion of the particular officers depending on the local circumstances and environment. Therefore, my submission is that these activities on the part of certain members can be carried on as a protest without

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coming within the offences mentioned in our statute. If this is followed, no action will be taken. But if the offence is committed, whatever the purpose for which it is committed, action will have to be taken. People ask the question, " Did you not burn foreign cloth? Did you not burn certain things? How is it now you are trying to stop these things and arrest people? and so on. Sir, there is a great difference between a country which is under the colonial domination of another country and a country which is free. It is an accepted political philosophy that there is a right of rebellion in the people who are dominated by others without their consent. The African people are fighting for their freedom, because they want to throw out their administrators—the foreigners who are governing them. The people under colonial domination have found support and sympathy and have also found every encouragement from other countries, in the United Nations and elsewhere, with this philosophy, namely that there is a right of rebellion against an authority which is a colonial authority controlling it. But in democratic countries, the Government can be changed by the vote of the people. One can change the administration even by the force of public opinion. It would be wrong to say that the same thing which was done justifiably in the colonial administration would be justified in a democratic country. Sir, I do not want to take any more of the time of the House in explaining this. It should be abvious and fundamental and everybody should be able to understand it.

Lastly, Sir, there was some criticism of the State Transport by the hon. lady Member Srimathi T. L. Thirupurasundari. The lady Member is one of the keenest Members of our House relating to the traffic problems and transport. I think of all the people in the whole of the State, she has written to me more letters than anyone else on transport (Laughter). In all these cases we have immediately tried to enquire into and just find out what the fact was. But merely because a bus stopped on one day, we cannot draw the inference that all the buses stop on all the days. Our operational efficiency is 85 per cent to-day. Some buses are bound to stop. It happens all over the world. It happens in the case of our own cars. Many of us have pushed our cars, because we thought that those cars were ours. Because we think that the bus belongs to somebody else, we think it is a shame to push the bus. Sir, one instance of this kind cannot be magnified into a big thing to be brought into the Legislature to condemn the transport system as bad. We have great difficulties in transport. We were not able to get vehicles last year because of the complete commandering of all the Beny vehicles for Defence purposes. We must understand the difficulties in which we are now placed. Merely because some stray instance occurs somewhere, people jump at it either as an argument against nationalisation or to condemn the whole system. Sir, the same fallacy exists all over. The person who does not want State enterprise seizes two or three instances and then exaggerates the mistakes to the point of ridicule and then says that the whole thing should go. The man who wants natianalisation takes one passage from the

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Company Law Report and another passage from the Vivian Bose Report and then condemns everybody and the private enterprise in the world. I think that we must have a sense of balance in all these matters. Whoever runs an industry will have its problems. Merely because certain mistakes occur either in the private sector or in the public sector or even in the co-operative sector, it cannot be an argument against the whole system. That is the thing which we forget, each one of us in our enthusiasm. I have seen people who were great advocate of nationalisation taking out there or four items which are really bad. These misdeeds are done only by three or four people. But the country does not consist of only three or four people any more than one bus which had to be pushed shows that all the 1,200 buses have to be pushed. Therefore we must have a sense of balance in these matters. I trust, in looking at the problems of the nation as a whole, we shall bring to bear an objective view in respect of these things and try to help the administration.

Sir, I am grateful to the House for the patient hearing given to me. It is usual in this House not to press the amendment to the Motion of Thanks and I do hope that in accordance with this convention and in accordance with the spirit that is prevailing in this House, the hon. Member will withdraw his amendment.

Thank you, Sir.

The amendment of Sri S. K. Sambandhan was, by leave, withdrawn.

MR. CHAIRMAN : The question is—

"That an humble address be presented to the Governor that the Address delivered to the Members of the Legislature on the 16th January 1964".

The motion was put and carried.

IV—GOVERNMENT BILL

THE MADRAS CITY MUNICIPAL CORPORATION, DISTRICT MUNICIPALITIES AND PANCHAYATS (AMENDMENT) BILL, 1964 (L.A. BILL NO. 3 OF 1964)

*THE HON. SRI R. VENKATARAMAN : Mr. Chairman, Sir, I move—

"That the Madras City Municipal Corporation, District Municipalities and Panchayats (Amendment) Bill, 1964 (L.A. Bill No. 3 of 1964), as passed by the Assembly, be taken into consideration".

Hon. Members are aware that during the last Session of the Legislature, the Madras City Municipal Authorities (Term of Office and Election of Councillors) Act, 1963, was passed by the Legislature and it was brought into force from the 6th December 1963. Proceedings for the conduct of elections to the Madras City Municipal Corporation and mufassal municipal council based on the provisions of this Act have been started already. Polling

a Printed as Appendix on pages 27–30 supra.